

**STATEMENT OF JAMES A. BOYLE, PRESIDENT, COLLEGE PARENTS OF AMERICA, BEFORE THE SECRETARY OF EDUCATION'S COMMISSION ON THE FUTURE OF HIGHER EDUCATION, APRIL 6, 2006, INDIANAPOLIS, IN**

Good afternoon, and on behalf of the nation's 30 million plus current and future college parents, thank you for the invitation to speak before you today on the issue of college affordability.

My name is James A. Boyle and the organization I lead, College Parents of America, is the only national membership association for parents who have students in college, or who aspire to send their children to college.

Our mission at College Parents of America is to empower parents to best support their children on the path to and through college. It is a rewarding line of work, to be able to help families with college admissions and financing decisions. It is also a needed line of work, because far too many families do not have a clue as to how their child should best prepare for college academically, nor do they understand how they themselves should best prepare financially.

Even families who are prepared are worried. We recently conducted two online surveys of our members and subscribers, who number about 90,000. One of the surveys, sent to parents of future college students, examined parent expectations of college-related issues that will be of greatest concern. Finances topped the list, with 80 percent of parents responding that they would be "most concerned" or "very concerned" about money issues.

Among current college parents, one of the questions we posed was: "This year, on which topic has your student most requested advice or assistance from you?" The #1 answer, nearly double any other at 35 percent, was "finances." Yes, college students and their parents these days seem to stay in touch more than previous generations. And more than one in three of those parents say that money issues top the list of topics covered.

So, with this recent polling data in mind, and with the newspapers for years running headlines about college-cost increases, I'm sure that it will come as no surprise to you that the guy representing college parents in your deliberations believes that college affordability is an important issue.

It may come as a surprise, however, that I really do not see the issue of affordability as an "us" (parents) vs. "them" (schools) issue. At College Parents of America, we believe that our young people are being served by the greatest collection of higher education institutions in the world and our goal is simple: to encourage schools to teach our children better, while keeping college affordable for families.

My own story of college affordability goes back more than 30 years ago, to April 1975, when as a high school senior I received five college acceptances, each with an offer of significant financial aid.

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While the FAFSA didn't exist then, my parents had filled out its precursor and so, when this handful of selective colleges wrote to say "OK, you're in," they also included their offers of dollars to help convince me to say "OK, I'm coming."

I wasn't sure of the importance at the time, but years later I understand how critical it was that my four private-college acceptances came from schools that were, and still are, "need-blind" in their admissions criteria, with enough money in their financial aid budgets to make available all the money that was needed by a working-class kid from Detroit.

Today, along one of the wide avenues radiating out from here in downtown Indianapolis to the open land not too far beyond, avenues that by their very scale and purpose suggest possibility, there will probably be a working-class kid, or a few, or more, who will soon receive his or her own letter from my alma mater, Northwestern, with an offer of admission and a financial aid package that makes the cost of attendance equal to or perhaps even slightly less than IU-Bloomington or IUPUI.

That student will be justifiably proud, as will his or her parents, and the fact that these letters will almost certainly arrive in the next few days means that there will be a positive focus on the topic of affordability in these households, where a few hundred, or a thousand or a few thousand dollars can really make the difference between either attending college or not. In those households, the system will work, just as it did for me more than 30 years ago.

But what concerns me now, and what will serve as my segue between this story and my recommendations, is that for every fortunate student who is accepted with financial aid to a Northwestern or IU or IUPUI there are dozens or hundreds of students who don't know that college at such places is possible because they are unaware of existing and available financial aid options.

For these students, who metaphorically live along the narrow streets that intersect those wide avenues, the "possibilities" are much less apparent and arguably, much more limited. In fact, a strong case can be made that their performance in high school may have been hampered due to the mistaken belief that it didn't really matter, and their misinformed perception that they couldn't afford college anyway. I have to wonder how many of these young people are getting off the college track because they hear bits and pieces of information about the sticker prices of college and they, and their parents, think "there's no way in the world that we can afford that."

Right now in the United States we are experiencing a population bubble when it comes to the number of young people who are moving through the later years of our K-12 system. These children of the “baby boom echo” are among the largest high school graduating classes in U.S. history, a trend that will peak in 2009 and 2010 when today’s 8<sup>th</sup> and 9<sup>th</sup> graders are finishing high school in the largest graduating classes ever, larger even than the height of the baby boom itself.

While the percentage of students choosing to attend college has inched upward every year since 1970, there is a certain – and frustrating – lag time to education statistics and I sense that far too many young people are either not graduating from high school or failing to pursue higher education options because they believe that the cost of college is out of reach.

So what can be done about that? What can be done to change both the growing perception, and the growing reality, that college may not be affordable after all?

I have lots of ideas, and from reading both excerpts and reports of some of your other field hearings, it sounds you have many ideas too, and that you have heard – and already debated – ideas from a variety of sources. So keeping in mind that my list is only partial, here are three ideas:

First, fund a national ad campaign that gets across the message that college is possible.

There is a recently launched campaign, lead by the American Council on Education and funded, in part, by the Indianapolis-based Lumina Foundation for Education, that goes by the umbrella name of [www.solutionsforourfuture.org](http://www.solutionsforourfuture.org). When announcing the effort, an A.C.E. official proclaimed a premise that people instinctually understand that college attendance is important to them as individuals, but that they need to be “educated,” in effect, about the importance of college to society.

I’m not so sure about that premise. I think that all of us in this room understand the importance of a college education to an individual, both to their earning power and to their sense of knowledge and self-esteem, but I question whether those who are turning away from college as an option do understand its importance to their potential for individual financial and emotional success.

So while the A.C.E. campaign is laudable, I think that there is still plenty of room, and a very necessary place, for a campaign that emphasizes the personal benefits of a college education, and the fact that those benefits come at a cost that is not insurmountable and which, in effect, can be paid for more many times over in the greater earnings power that comes with the original college investment.

Second, make education fiscal policies more family friendly, particularly those policies that can provide relief to the American taxpayer.

A little more than three months ago, with surprisingly little fanfare, the ability for some families to deduct some portion of their higher education costs was allowed to sunset. From passage of the 2001 tax bill, until December 31, 2005, taxpayers who themselves were in college, or who had dependents in college, were able to deduct up to \$4,000 of tuition and related expenses from the top line of their taxes, provided that their adjusted gross income as a single filer was no greater than \$65,000 or, as a joint filer, no greater than \$130,000. That deduction, unfortunately, has now gone away unless Congress agrees to extend it.

Not only should the deduction be extended and made a permanent part of the tax code, it should be expanded from \$4,000 to \$12,000 (the current average annual cost of a four-year public education), and indexed to keep pace with tuition increases in the future. The deduction should also be made available, similar to the mortgage interest deduction, to all U.S. taxpayers. This would send the correct message about the importance of higher education and take some of the financial sting out of the cost of college for middle-class purchasers, who are in many cases ineligible for need-based financial aid, but who then are forced to stretch their available dollars very thin when it comes to paying for college in real time. If the cost of a \$100,000 luxury SUV can be fully deductible if used for business purposes, then surely the cost of a \$12,000 public education should be fully deductible.

The tax code has been described as a reflection of our values as a society. If that is the case, then how can we look ourselves in the mirror when a family's investment in higher education has, in effect, been removed from the books when it comes to deducting that expense.

Third, create incentives for colleges to hold down costs, so that they are not encouraged only to ask for more money from public sources, but to train their own cost-cutting muscles, and to apply basic principles learned in Economics 101, such as: cost is driven by the elements in the supply chain.

In the case of colleges and universities, the supply chain consists of very few elements, but they are costly – items such as faculty salaries, the physical plant and the provision of extracurricular opportunities.

Many American businesses have, over the past 25 years, been able to wring significant savings out of the various elements in their supply chains. That's what the "productivity revolution" has been all about. Yet it seems that American institutions of higher education have only been able to stand by, somewhat helplessly, while their costs go up.

These rising costs, in turn, are passed on to students and their parents in the form of higher tuitions.

You are going to hear in a few minutes from Carol Twigg with the Center for Academic Transformation about her group's specific efforts to encourage colleges and universities to utilize technology to save money and improve teaching, an admirable twofer to be sure. As a prelude to her comments, I would like to make the general suggestion that colleges can save money by outsourcing.

That may sound heretical here in the heartland, but I am not talking about sending thousands of university jobs to India. What I am talking about is the practice of contracting with an outside company in order to provide a product or service that might otherwise be too expensive, complicated or time-consuming for the institution to do internally. I am suggesting that some non-academic functions on campus could be much better, and more efficiently, accomplished by a contractor.

What are some of those functions? Information technology (IT) is at the top of the list. Trained IT professionals, battle-scarred from decades of creating connectivity solutions for businesses, seem uniquely well-positioned to help forge similar solutions for colleges and universities. After all, it is on those same campuses where many of those pros were trained.

College Parents of America applauds any effort to reduce college costs; we also advocate that cost-savings in the non-teaching arena be passed on to those of us who are customers of colleges and universities, namely students and their parents, in the form of lower tuition and lesser fees or, at the very least, less dramatic increases in both of those billable areas.

Those are only three ideas; I have many more, but want to respect your time and to follow the rules put forth in your invitation.

Before I finish though, I have one closing thought and it is a suggestion to parents that we might want to look at ourselves in the mirror when it comes to the college-cost conundrum.

What do I mean? Well, for instance, a large and growing percentage of parents have shown a willingness to pay a premium for what we consider to be brand-name and/or high-quality services for our children, whether it be on music lessons, travel sports teams, academic tutors or any one of the myriad of products and services that cater to just how special we believe our children to be, and how much we want to support them to be the best in whatever endeavor they choose.

Colleges notice this behavior, and I believe it is a contributing factor to how they price their “service,” which is providing a higher education to our children. Many colleges also see the willingness of some parents to provide our young adults with cars on campuses, accoutrements for their dorm rooms and cell phones or other electronic devices on their persons, and those who set the prices surely must think to themselves, “Oh, they won’t mind another few bucks per credit hour.”

Colleges also perceive a strong parental demand for ever-newer and ever-sleeker school facilities which, of course, have to be paid for somehow, with tuition from those demanding families being a logical place to start.

Am I suggesting that students should go to school in a dump? No, but I do think it is important to remember that what is taught in a classroom is much more important than the grade of carpet on the classroom floor.

Whatever our financial circumstances, parents need to take a close look at the “wants” and “needs” of the current and future college students in our families, distinguish for ourselves and for them the difference between those two impulses, and help guide these still-impressionable young adults to smart, specific buying decisions and even smarter, general financial literacy.

Thank you again for the opportunity to testify before you today; I wish you the best of luck in your deliberations over the coming weeks and I look forward to your questions in the time that we have together this afternoon.

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